

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 092962

53

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 L-03 AGR-05 /028 R

66011

DRAFTED BY EB/FTD:AJWILLIAMS:HM

APPROVED BY EB/FTD:CANGEVINE

USDA-GRATHELL

EA/NE-WKELLY(SUBS)

L/EB-PTRIMBLE

----- 035704

P 091520Z JAN 76

FM SECSTATE WASHDC

TO AMCONSUL OPORTO PRIORITY

LIMITED OFFICIAL USE STATE 292962

FOLLOWING REPEAT STATE 292962 ACTION LISBON DEC 12.

QUOTE: LIMITED OFFICIAL USE STATE 292962

E.O. 11652: N/A

TAGS: ETRD, PO

SUBJECT: COTTON CONTRACT PROBLEMS

1. COTTON IMPORT AND EXPORT COMPANY (CIEC) OF DALLAS HAS CONTRACT PROBLEM INVOLVING CONTRACTS TOTALING 8000 BALES OF U.S. COTTON TO COMPANHIA DA FABRICA DE FIACAO DE TOMAR LOCATED IN TOMAR, PORTUGAL. CONTRACTS WERE MADE FOR MOST PART IN DECEMBER 1973 - JANUARY 1974 AT PRICES ABOVE 70 CENTS PER POUND. COTTON PRICES SUBSEQUENTLY FELL TO MUCH LOWER LEVELS, AND ARE STILL IN RANGE OF MID AND UPPER 50'S.

2. THE TRANSACTION, WHICH DRAGGED ON FOR SOME MONTHS WITH POSTPONEMENTS OF SHIPPING DATES AND RENEGOTIATION OF CONTRACTS, WAS CONSIDERABLY COMPLICATED WHEN OWNER-MANAGER WAS REPLACED BY COUNCIL FOR WORKERS. LAST COMMUNICATION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 092962

FROM BUYER DATED NOVEMBER 12, 1975, READS QUOTE WE DO NOT

AUTHORIZE SHIPMENT OF ANY QUANTITY WHATSOEVER - PRICE IS UNSUPPORTABLE - COTTON SAME TYPE IN EUROPE AT 52/56 CENTS/LB. SINCE GOVERNMENT DOES NOT AUTHORIZE US TO EFFECT THIS PURCHASE WE GIVE UP BUYING AMERICAN COTTON. END QUOTE

3. USG INTERVENTION ON BEHALF CIEC IS JUSTIFIED IF MILL'S PRESENT POLICY IS RESULT OF PORTUGUESE GOVERNMENT ACTION. DEPARTMENT IS UNABLE ON BASIS OF DOCUMENTS PROVIDED BY CIEC TO DETERMINE PRECISE CAUSE OF DIFFICULTIES, AND THUS WHETHER USG EFFORT WOULD BE APPROPRIATE. COPIES OF DOCUMENTS BEING AIR MAILED TO EMBASSY (REGISTRY NO. 374978).

4. UPON RECEIPT THESE DOCUMENTS REQUEST EMBASSY INFORMALLY RAISE MATTER WITH APPROPRIATE GOVERNMENT OFFICIALS AND MILL, WITHOUT INDICATING ANY VIEWS ON MERITS. WE HOPE YOUR MAKING GOP AWARE OF OUR INTEREST WOULD LEAD TO CLARIFICATION OF GOP ROLE IF ANY. INGERSOLL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, CONTRACTS, TRADE COMPLAINTS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE092962
Document Source: CORE
Document Unique ID: 00
Drafter: AJWILLIAMS:HM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760008-0780
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760170/aaaackau.tel
Line Count: 79
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 03 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 MAY 2004 by BoyleJA>; APPROVED <13 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COTTON CONTRACT PROBLEMS
TAGS: ETRD, EPAP, PO, US, CIEC
To: OPORTO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006